

PUBLIC CHAPTER NO. 811

SENATE BILL NO. 2950

By Haynes

Substituted for: House Bill No. 3102

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 11, Part 1, relative to mechanics' and materialmen's liens.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-11-143(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) In order to be protected from lien claims that have not previously been recorded, as provided in § 66-11-111 or § 66-11-112, the owner or purchaser of improved real property or their agent or attorney may, upon the completion of the improvement, record in the office of the register of deeds in the county where the real property or any affected part of the real property is located a notice of completion, or the owner or purchaser may require a person or organization with whom the owner or purchaser has contracted for the improvement to do so upon the completion of the improvement, and the owner or purchaser of improved real property or any other authorized party shall simultaneously serve a copy of any notice of completion recorded with the register of deeds on the prime contractor; provided however, no copy of the notice of completion is required to be served on any prime contractor when the owner, or an entity controlled by the owner, also acts as the general contractor, as defined in § 66-11-146(b)(1), in furtherance of the improvement to the property. If a prime contractor is entitled to be served with a copy of any notice of completion recorded with the register of deeds, then the lien rights of such prime contractor not so served a copy shall not be affected by the notice of completion.

SECTION 2. Tennessee Code Annotated, Section 66-11-143(b), is amended by adding the following as a new, appropriately designated subdivision:

(8) The name and address of the preparer of the instrument in compliance with § 66-24-115.

SECTION 3. Tennessee Code Annotated, Section 66-11-143(d), is amended by deleting the subsection in its entirety and by substituting instead the following:

(d) If a remote contractor has served a required notice of nonpayment pursuant to § 66-11-145, then any party recording a notice of completion shall simultaneously serve a copy of said notice of completion on the remote contractor. The remote contractor shall have thirty (30) days from the date of the recording of the notice of completion to serve a written notice in response to the notice of completion in accordance with § 66-11-143(e). The lien rights of a remote contractor that has not been served a copy, shall not be affected by the notice of completion.

SECTION 4. Tennessee Code Annotated, Section 66-11-143(g) is amended by deleting the subsection in its entirety and by substituting instead the following:

(g) The notice of completion may be in substantially the following form:

This Instrument prepared by:

Name _____
Address _____

NOTICE OF COMPLETION

Legal name of owner or owners of the real property:

Names of all applicable prime contractors:

The location and description of the real property:

Date of completion of the entire improvement:

A transfer of ownership of all or part of the real property or an interest therein and encumbrance thereon or a settlement of the claims of parties entitled to the benefits of Title 66, Chapter 11 of the Tennessee Code Annotated will take place not less than ten (10) days after the date of the recording of this Notice of Completion; provided, that the ten-day expiration for lien claimants shall only apply to contracts for improvements to or on real property for one-family, two-family, three-family, and four-family residential units. On all other contracts for improvement to or on real property, the expiration time for lien claimants shall be thirty (30) days after the date of the recording of this Notice of Completion. The name and address of the person, firm, or organization on which parties entitled to the benefits of Title 66, Chapter 11, may serve notice is as follows:

Name:

Street

Address:

City:

State: _____ Zip

Code:

Dated this, the _____ day of _____,
20_____

Signature _____

(Check One)

_____, Owner

_____, Purchaser

_____, Prime Contractor

[Notary Acknowledgment]

SECTION 5. Tennessee Code Annotated, Section 66-11-146(b)(1), is amended by adding the following language to the end of the subdivision:

As used in this subsection (b), "general contractor" means the person responsible for the supervision or performance of substantially all of the work, labor, and the furnishings of materials in furtherance of the improvement to the property.

SECTION 6. Tennessee Code Annotated, Section 66-11-146(b)(2), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(2) When the owner of residential real property and the general contractor are one and the same person, or a person controls entities owning such property and a general contracting business, a lien or right of lien upon such property shall exist only in favor of the lienors in contractual privity with the owner or general contractor.

SECTION 7. Tennessee Code Annotated, Section 66-11-149(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) For purposes of § 66-11-145, the name of any owner, the owner's agent, any prime contractor, any remote contractor, or any other person, their addresses, and the real property description stated in a building permit authorizing such improvement shall be presumed to be correct and, in the case of property description, sufficient to identify the real property.

SECTION 8. This act shall take effect July 1, 2008, the public welfare requiring it.

PASSED: April 10, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 25th day of April 2008



PHIL BREDESEN, GOVERNOR